

# **Challenges and opportunities for world order: Focus on US-China development partnership**

## **Panel 3**

### **IPP/SCUT 2021 Conference**

**By,**

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The focus of this panel is on pluralism and its impact on world order. I wish not only to reflect on the challenges posed to world order today but also to touch upon the importance of US-China partnership in the development sphere.

Let me start with a brief background of what has become known as the 'world order'. The search for its origin goes back to ancient times, when and where humanity passed through a long and perilous path to establish certain international rules and foundations of co-existence. Since its inception, these global rules have been based on three foundational ordering principles: national sovereignty, economic liberalism and inclusive, rules-based multilateralism. These basic principles have not much changed until today.

Henry Kissinger in his book "World Order"-1-/ portrayed the shape of the world over the past 2000 years or so, with reflections on where it will go in the next 50 years.

In doing so, he has identified 4 specific concepts of "order": the European system, specifically the Westphalian model of sovereign states with equal status within the system; an Islamic system based on a wider idea of an ummah, or community; a Chinese system based on traditional ideas of the Middle Kingdom as a great regional power; and the American order, finding a new purpose a century ago under Woodrow Wilson, eventually becoming dominant across the globe.

### **Birth of the Bipolar World**

In order of importance and as a turning point in the history of international order, let me refer to the emergence of the USSR in the wake of World War II. Dividing the world into East and West changed completely the existing political landscape and influenced the formation of new principles of international relations. The subsequent order differed significantly from the previous one.

First, in a bipolar world, there were only two strong military powers (the USA and the USSR or NATO and the Warsaw Pact). The military core of this balance consisted of nuclear posture and "mutually assured destruction" as a deterrence strategy. Secondly, it was based on an ideological foundation. Probably this ideological bias has supported a rather long existence of the post-war world order.

### **The US as UNI-Polar power**

The next important phase in the global political landscape started with the collapse of the socialist bloc and the Soviet Union on 25 December 1991, when the Soviet hammer and sickle flag was lowered for the last time over the Kremlin and was replaced by the Russian tricolor.

This major historic event led to the destruction of the bipolar world order and the establishment of a unipolar system with the absolute domination of the Western economies, institutions, ideas and projects (see e.g. Attali 1991) almost synonymous with a *Pax Americana*.

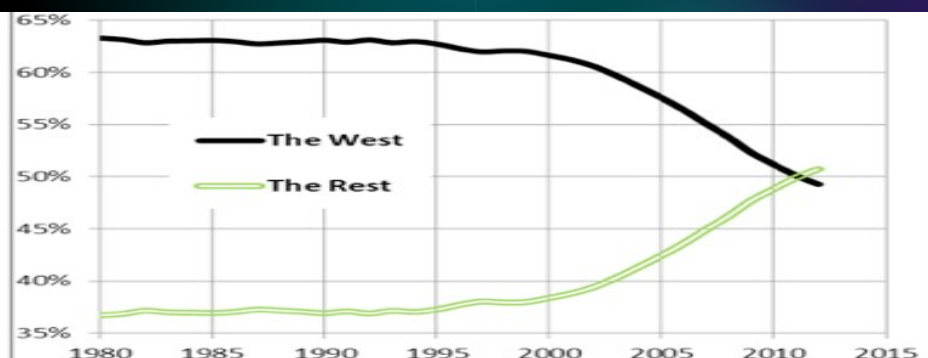
By the 1990s, the USA, unlike former leading states, had concentrated under its umbrella a wide range of leadership powers ranging from technological, financial and military to scientific and cultural.

At the peak of its might, however, the USA was struck by the unexpected 9/11 events when an anarchist group attacked the World Trade Center Towers and other US targets. This event represented a turning point in US domestic, foreign and security policies.

Next came the financial crisis of 2008-2010 which was a contributing factor to a growing perception that the US was losing its supremacy and its leading position in the unipolar world.

Wide-spread globalization, a gradual weakening of Europe and a continuing economic stagnation in Japan helped the emergence of new giants in Asia (China and India) as well as a number of rapidly developing economies in Asia, Africa and Latin America, the “tigers” (from Mexico to Malaysia to Brazil and South Africa to Ethiopia) who began to assert their leading positions in world affairs (figure one).

## Quests for leading positions



**Fig. 1.** Dynamics of the share of the West and the rest of the world ('the Rest') in the global GDP after 1980 (based on the World Bank data on the GDP calculated in 2005 purchasing power parity international dollars)

Source: World Bank 2014; NY GDP MKTP BR KD

The persistent fear was that if and when the US would lose its status as the

lead nation it would not be just a simple change of leadership<sup>6</sup> but it would result in a fundamental change in the whole structure of the world's economic and political order.

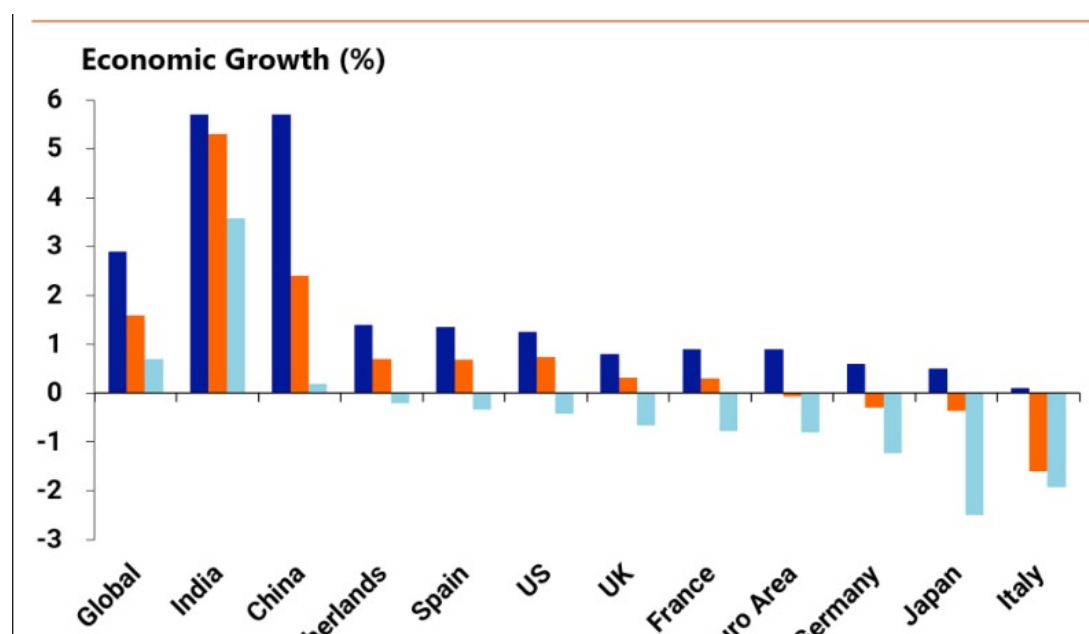
In its position as a unipolar power, the US had concentrated on too many aspects of leadership simultaneously, Therefore, its weakening if not demise might also bring about a deep, rather difficult and critical transformation of the world system. It remained to be seen whether the sunset of the USA could turn into a new sunrise or a temporary turbulences, as well as a lack of stability and struggle between different actors of the new order. These and many other questions have so far been left unanswered.

### Urgent need for dovetailing objectives

Peace and development have become the most important goals of the world order over the past century. Today, climate action failure, biodiversity loss and spread of infectious diseases count as the top three risks in the world. The future of sustainable development will, thus, depend on the global capacity to enable thriving and inclusive spaces. Smarter density, rapid digitalization, renewable energy and above all, climate adaptation remain critical issues for the global community.

In 2020, the biggest threat to global peace and security was caused by the Covid-19 pandemic which seriously affected and reshaped global geopolitics as a whole.

Needless to say that COVID-19 had brought havoc to the global community. It did not only stop economic and social progress, but put in a stark light multilateralism, globalization and global governance. A vacuum in global leadership and the failure of multilateral organizations have compounded the strategic shock from which the world is reeling until today.



As the presentation shows demographic shifts, the environmental crisis and health revolution suffers irreversible shifts.

Are based on the variable assumptions such as rising unemployment, volatilities in the market and downturns of global economy. The accuracy of these predictions are very much depends on how COVID 19 progress and how it impacts the global economy.

The resulting economic shockwave has severely affected virtually all important financial decisions made the last 12 months and it will continue to shape the global economy for the next decade, coinciding with a period when all countries are expected to significantly reduce, if not cut by half carbon emissions.

In recent years, we have generated around 500 tons of CO<sub>2</sub> per US\$1 million of the world's GDP. In 2019, 40 billion tons of CO<sub>2</sub> were emitted per US\$88 billions of the world's GDP . Recovery packages from the Covid pandemic will cost trillions of US dollars. Not all governments are unlikely to have the resources to steer capital at such a scale towards urgent global social needs for years.

Low income and vulnerable populations are entangled with job losses, mounting debt and shrinking revenues, which pose additional problems for the world order today. The pandemic has forced many to search for new opportunities elsewhere, beyond their home base. This trend will be accelerated by massive climate migrations resulting from drastic climate-induced weather changes, coastal flooding, prolonged droughts, wildfires or extreme pollution.

According to the World Bank, between 50 and 300 million climate migrants are projected to be on the move in the near future. Within the next decades, one billion people are expected to live in insufferably hot spaces. Rising sea levels could also displace the same number of people and changes in precipitation may result in shortages of water in some 200 cities, heavily impacting food and water security of many countries and communities.

All these factors are exacerbated by the competitive, zero-sum dynamics unleashed by the present pandemic. Covid-19 has accelerated the transition to a more fragmented world order in which the organizing principles for the international system are as yet unclear.

The outcome of the on-going geopolitical competition will lead to a fragmentation of power and will hinge on the relative economic recovery principally of the United States and China but also of other countries, especially in Europe and Asia.



Despite all these challenges, the conditions of great power competition coupled with the economic pressures resulting from Covid-19, can create opportunities for seeking ground for cooperation on issues of common interest, such as the global crises.

At present, there is a significant potential to create an international center of gravity that can implement climate and health-related mitigation standards. Implementing shared criteria and building the core of an institutional ecosystem to support. This will require significant development resources and collective efforts by all stakeholders.

Initiative as such could reengage development agencies and leverage the UN's Sustainable Development Goals (SDGs) that was decided in 2015 for realization by 2030.



### **The role of the Sustainable Development Goals (SDGs)**

The SDGs are a set of 17 interconnected goals that will provide the development framework of the UN's Agenda 2030. They represent a wide scope and express a great ambition by UN member states to achieve development-oriented goals such as access to clean water, renewable energy, elimination of poverty, quality education, sustainable cities, climate change abatement, etc,...

Five years later, the ambition and momentum to promote the SDGs has grown, yet progress has been too gradual or insufficient. The Earth is losing its biodiversity at mass extinction rates. One in five species on Earth now faces extinctions, and scientists estimate that this will rise to 50% by the end of the century, unless urgent action is taken. Current deforestation rates in the Amazon Basin could lead to an 8% drop in regional rainfall by 2050, triggering a shift to a "savannah state", with wider consequences for the Earth's atmospheric circulatory systems.

The chemistry of the oceans is changing more rapidly than at any time in perhaps 300 million years, as the water absorbs anthro-pogenic greenhouse gases.

The resulting ocean acidification and warming are leading to unprecedented damage to fish stocks and corals. CO<sub>2</sub> is on the rise and fossil fuel still is considered an easy means for energy consumption. Glaciers are melting and water scarcity threatens wiping out part of our civilizations.

- Earth's climate is changing rapidly, through emissions of carbon dioxide and other heat-trapping gases and that humans are the cause of it

- What that will mean: For the next 30 years or longer, there will be more, hotter heat waves, longer and more intense droughts, and more episodes of heavy downpours that result in flooding.

- A warmer climate will intensify very wet and very dry weather and climate events and seasons, with implications for flooding or drought .

The Decade 2020 to 2030 has been designated as "decade of action for the SDGs", when ambitions and plans should be translated into reality. Observing the slow progress, however, policymakers and experts have realized that traditional policy and market-based responses won't get the world fast enough to the aspired goals.

The IPCC's latest report on the state of Climate change was partly published last Monday. Some 200 scientists participating in the writing of this report, delivered some grim news. Humans, has poured so much of CO<sub>2</sub> gases into the atmosphere that under any conceivable scenario, average temperature will continue to rise, and the window to prevent massive dislocation and suffering is closing fast,

What that mean?

For the next 30 years or longer, there will be more, hotter heat waves, increase melting ice in the North Pole and Greenland which could result in nearly 7 meters of sea rise, longer and more intense droughts, and more episodes of heavy downpours will follow.

The realization of the SDGs will depend critically on the ability of major powers, including in particular the US and China, to work in concert with each other and the international agencies which have already closely aligned their programs with Agenda 2030 and designed paths for a financing this agenda. The "billions to trillions" agenda will require leadership from the United States and China, both as bilateral donors and as investors.

China had become a strategic partner of the United States in policy discussions concerning climate change and clean energy. This role has gained particular importance as thousands of people from both countries started working together by collaborating in research, sharing experience and information, and by developing commercial ventures in deploying clean energy technology. Moreover, the two countries, through their Strategic and Economic Dialogue (S&ED), have begun to discuss politically sensitive issues, trade barriers, and matters related to international security ensuring an open channel for diffusing potential conflict. Mention should also be made

here of the “US-China Comprehensive Dialogue” with four main tracks on diplomacy and security, economics, law enforcement, cyber security, and society and culture.

As a result, a concerted shift in the nature of bilateral climate change agreements took place in 2014 when the two powers began to use their bilateral mechanisms to help shape multilateral responses and announce their own climate targets. This led to the signing of the Paris Climate Agreement (COP21) in December 2015. Some 182 countries, accountable for nearly 95 per cent of global emissions, have since already announced their own national climate targets. This is crucial for building an international momentum towards a more concrete and effective new agreement.

The next and most critical meeting on climate change will take place in October/November 2021 in Glasgow, where further efforts by both China and the US could help mitigate the climate threat.

On 15 October 2016, at the 28<sup>th</sup> Meeting of the Parties to the Kigali amendment to Montreal Protocol, 197 countries reached an agreement on an amendment to phase out by 2050, HFCs (**Hydro-fluoro-carbons** are greenhouse gases commonly used by federal agencies in a wide variety of applications. Under this agreement China accepted to freeze consumption by 2024, while India committed to freeze HFCs by 2028. The Montreal Protocol and the resolution on the Carbon Offset and Reduction Scheme for International Aviation (CORSIA) are to be implemented by the International Civil Aviation Organization by 2027.

Unfortunately, U.S. global leadership has been insufficient over the past four years, too often relying on an empty chair or hollow words when key interests were at stake. As a consequence, close U.S. allies - Japan in Asia and Germany and France in Europe - but also adversaries, such as Russia, have stepped in that void.

In January 2021, as the country prepared to transition from the Trump to the Biden Presidency, the new Administration faced a daunting list of unattended responsibilities including managing a global pandemics, human security, economic and technological issues, climate change and a range of national challenges from unemployment, increasing poverty and inequality at home.

In light of all these challenges, the United States will need to mobilize allies, partners, and friends at home and abroad as it wrestles with a changing international order, comprising more capable competitors and numerous rivals, while seeking to cope with mounting challenges in the field of human security.

If such a path is chosen, there is need for new thinking and strategies. In the words of former UK Prime Minister, Gordon Brown: “Out of this crisis must come reforms to the international architecture and a whole new level of global co-operation”. One particular question will be on how best to make use of

science and technology in order to innovate for a better life after COVID19 and to build back better.

The best way to meet today's challenges is to reinvest in a U.S-China alliance and partnerships across all sectors. This should involve all stakeholders, to uphold globalization and shaping a new mechanism for cooperative action on relevant twenty-first century issues. Efforts should also be made to leverage the role of non-state stakeholders with concrete tools and capabilities to enhance new multipolar-type efforts.

Thank you Mr Chairman

1- Henry Kissinger. World Order: Reflections on the Character of Nations and the Course of History Kindle Edition 2014

2- Attali, J. 1991. Millennium: Winners and Losers in the Coming World Order. New York: Times Books.

3- Steven Davis, Associate Professor in the [Department of Earth System Science at the University of California-UCI](#)

4- *United Nations Environment Program, Montreal Protocol Secretariat (February 2017). ["Ratification of the Kigali Amendment , information note"](#)*